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ANNUAL REPORT

OF

THE NASH MOTORS COMPANY

(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1923

TO THE STOCKHOLDERS:

The fiscal year of your Company which closed November 30, 1923, has been the most successful in its history.

The operation of the plants was on a fairly even schedule of production and ran practically to their capacity during the major portion of the year with a production of more than 56,000 cars and trucks.

The volume of business in dollars and cents was above Fifty-eight Million Dollars.

It was very gratifying indeed that the Company was able to give steady employment throughout the year to an average of over 5,000 employees. The improvement in the working efficiency of our organization is evidenced by the fact that the plants increased their production 38½% with an increase of only 29% in the number of employees.

Many engineering and mechanical refinements have been incorporated in the product, and several new models have been added to the line during the past year, with the result that the product has been received with marked approval by the buying public and has greatly strengthened the Company's position in its competitive field.

The number and quality of dealers during the past year has been materially increased with the result that we enter the 1924 selling season with a stronger sales organization than ever before.

The business of making and selling motor cars is steadily growing more competitive, but viewed from the standpoint of orders on hand and the general condition of business throughout the country it seems reasonable to look forward to a satisfactory business for the coming year.

The inventory taken November 30th was somewhat in excess of the monthly average for the year, but was found to be well balanced. It should be noted that the inventory was turned over at least twelve times during the year.

It is also interesting to note that, due to the gradual rise in prices of materials and labor during the first half of 1923, and the costly improvements added to our product, and the unusually low prices at which the product was sold, the profit per unit in 1923 was somewhat less than in 1922.

Our net profits for the year, after deducting all expenses, inventory reserves, depreciation, and both State and Federal taxes, amount to $9,280,032.19. Our balance sheet shows Accounts Payable of $1,792,864.20. This is for current bills, which constitute the sole indebtedness of the Company, except the reserve for taxes.

On February 1, 1923, the Company retired the $3,500,000.00 outstanding balance of its original Preferred Stock. During the year the Company also retired $619,100.00, par value, of the Preferred "A" Stock, which was more than sufficient to take care of the Sinking Fund requirements.

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During the year the Company paid to its stockholders, in cash, dividends amounting to $2,845,850.00. Despite this, the cash position of your Company continues to be satisfactory, showing an increase of $3,101,252.08 over a year ago; the total at the close of the fiscal year being $21,688,639.32 cash on hand, in banks and in Government securities.

There has been expended about $780,000.00 for new buildings, machinery and equipment at the Kenosha and Milwaukee plants. These additions will enable the Company materially to increase its output.

In addition to the charges to Capital Account, considerable additional expenditure has been made to improve working conditions and efficiency in operation, which properly has been charged to Operating Expenses.

We wish to point out to our stockholders that in our judgment there never was gathered together a working force consisting of more than five thousand people where there has been shown greater loyalty, co-operation and efficiency than exists in the organization of your Company. To these five thousand people is due a large part of the credit for the splendid success obtained during the past year.

Herewith are presented to you the balance sheet at the close of the fiscal year and the profit and loss statement.

By Order of the Board of Directors,

CHARLES W. NASH,
President.

January 7, 1924.

OFFICERS

CHARLES W. NASH
President

WALTER H. ALFORD
Vice Pres. and Comptroller

ROBERT F. HERRICK JAMES T. WILSON
Vice-Presidents

GEORGE H. EDDY
Treasurer

HORACE J. MELLUM
Secretary

DIRECTORS

JAMES J. STORROW, Chairman

WALTER H. ALFORD FREDERIC W. ALLEN EMORY W. CLARK
ROBERT F. HERRICK CHARLES T. JEFFERY THOMAS M. KEARNEY
CHARLES W. NASH SAMUEL F. PRYOR

BALANCE SHEET AS OF NOVEMBER 30, 1923

ASSETS

Fixed:		
Real Estate, Plant & Equipment (at cost)	$8,634,401.51	
Less Reserve for Depreciation	3,665,071.54	$4,969,329.97
Investments—Miscellaneous*		3,903,727.00
Current:		
Material and Supplies (cost or market value, whichever is lower)	$4,875,187.86	
Notes Receivable	224,856.42	
Accounts Receivable	1,652,658.95	
Cash in Bank and on Hand	12,987,687.07	
U. S. Treasury Certificates & Notes	7,502,500.00	
U. S. Liberty Loan Bonds	1,198,452.25	28,441,342.55
Deferred:		
Prepaid Expenses		5,992.66
TOTAL		$37,320,392.18

LIABILITIES

Capital Stock:			
Preferred "A", par value $100:			
(Authorized 225,000 shares)			
Issued 163,800 shares	$16,380,000.00		
Redeemed 6,191 shares	619,100.00		
Outstanding 157,609 shares		$15,760,900.00	
Common, without par value:			
(Authorized 300,000 shares)			
Outstanding 273,000 shares		1,602,000.00	$17,362,900.00
Current:			
Accounts Payable			1,792,864.20
Reserves:			
For Federal Taxes		$3,928,918.74	
For Other Taxes		1,792,660.86	
For Possible Losses in Accounts Receivable		127,261.17	
For Contingencies		2,584,027.67	
For Miscellaneous Purposes		938,072.60	9,370,941.04
Surplus:			8,793,686.94
TOTAL			$37,320,392.18

*Note: Miscellaneous Investments comprise:

The Nash Motors Company, Common Stock	$ 54,914.77
Kenosha Homes Company	40,000.00
Stock in La Fayette Motors Corporation	2,019,394.00
Martin Nash Motors Company, Atlanta, Ga.	50,000.00
Nash Cincinnati Motors Co., Cincinnati, Ohio	18,555.87
Stock in Seaman Body Corporation	255,031.44
Nash Vriesema Auto Company, Omaha, Neb.	10,000.00
Southwest Nash Motors Company, Oklahoma City, Okla.	18,066.67
Northwest Nash Company, Minneapolis, Minn.	75,500.00
Kansas City Building	77,128.08
Real Estate & Plant occupied by LaFayette Motors Corporation	366,722.10
Real Estate and Plant occupied by Seaman Body Corporation	826,425.07
Real Estate Mortgages and Loans	91,963.00
Miscellaneous	26.00
Total	$3,903,727.00

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PROFIT AND LOSS ACCOUNT

Surplus November 30, 1922			$20,127,172.10
Less Premium Paid on Preferred Stock Retired			295,667.35
			$19,831,504.75
Net Income for year ending November 30, 1923, after deducting expenses of manufacturing, (including depreciation) selling, administrative and local taxes, but before deducting Federal Income Taxes		$10,722,262.97	
Provision for Federal Income Taxes		1,442,230.78	9,280,032.19
			$29,111,536.94
Less:			
Stock Dividend, Common Stock:			
Paid in Preferred "A"	$16,380,000.00		
Paid in Common Stock (218,400 shares, no par value)	1,092,000.00	$17,472,000.00	
Cash Dividend:			
Paid on Preferred Stock	$61,250.00		
Paid on Preferred "A"	1,146,600.00		
Paid on Common Stock	1,638,000.00	2,845,850.00	20,317,850.00
Surplus November 30, 1923			$8,793,686.94